

## **Program A: Mineral Resources Management**

Program Authorization: La. Const. Article IX, Sec. 3 -6; R.S. 36:351; R.S. 30:121

### **Program Description**

The State of Louisiana holds title to vast areas of land and water bottoms which produce or have the potential to produce minerals (primarily oil and gas). Leasing of these areas for mineral production provides a large revenue source for the state. The Mineral Resources Management Program provides staff support to the State Mineral Board which ensures that the state is obtaining the highest possible returns from the leasing of these lands. The mission of this program is to provide staff support to the State Mineral Board in granting and administering leases on state-owned lands and water bottoms for the production and development of minerals, primarily oil and gas. The goal of this program is to support the Mineral Board and to ensure that the state-owned lands and water bottoms produce an optimal return on investments for the State of Louisiana annually. There is one activity in this program: Mineral Resources Management.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$2,515,790	\$2,509,150	\$2,509,150	\$2,701,136	\$988,526	(\$1,520,624)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	4,659,307	4,345,657	4,373,041	4,315,426	4,156,586	(216,455)
Statutory Dedications	1,341,501	2,252,105	2,640,648	2,200,000	3,500,000	859,352
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	77,697	129,997	129,997	129,997	126,755	(3,242)
TOTAL MEANS OF FINANCING	<b>\$8,594,295</b>	<b>\$9,236,909</b>	<b>\$9,652,836</b>	<b>\$9,346,559</b>	<b>\$8,771,867</b>	<b>(\$880,969)</b>
EXPENDITURES & REQUEST:						
Salaries	\$3,163,132	\$3,393,046	\$3,368,046	\$3,465,542	\$3,409,337	\$41,291
Other Compensation	178,529	20,394	170,109	170,109	170,109	0
Related Benefits	750,651	744,673	816,673	947,076	728,692	(87,981)
Total Operating Expenses	589,252	622,395	327,354	332,557	327,354	0
Professional Services	512,390	620,000	966,114	620,000	620,000	(346,114)
Total Other Charges	3,254,985	3,814,401	3,982,540	3,811,275	3,516,375	(466,165)
Total Acq. & Major Repairs	145,356	22,000	22,000	0	0	(22,000)
TOTAL EXPENDITURES AND REQUEST	<b>\$8,594,295</b>	<b>\$9,236,909</b>	<b>\$9,652,836</b>	<b>\$9,346,559</b>	<b>\$8,771,867</b>	<b>(\$880,969)</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	79	83	83	83	78	(5)
Unclassified	1	1	1	1	1	0
<b>TOTAL</b>	<b>80</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>79</b>	<b>(5)</b>

## SOURCE OF FUNDING

This program is funded with State General Funds, Fees and Self-generated Revenues, Federal Funds and Statutory Dedications. Statutory Dedications are from the Mineral Resources Audit and Collection Fund, (Per R.S. 30:136.3). The table below lists Statutory Dedications expended from each fund.

	<b>ACTUAL</b>	<b>ACT 13</b>	<b>EXISTING</b>	<b>CONTINUATION</b>	<b>RECOMMENDED</b>	<b>RECOMMENDED</b>
	<b>2001-2002</b>	<b>2002-2003</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>OVER/(UNDER)</b>
						<b>EXISTING</b>
Mineral Resources Audit and Collection Fund	\$1,341,501	\$2,200,000	\$2,588,543	\$2,200,000	\$3,500,000	\$911,457
Deficit Elimination/Capital Outlay Escrow Replenishment Fu	\$0	\$52,105	\$52,105	\$0	\$0	(\$52,105)

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$2,509,150</b>	<b>\$9,236,909</b>	<b>84</b>	<b>ACT 13 FISCAL YEAR 2002-2003</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$415,927	0	Carryforward BA-7
<b>\$2,509,150</b>	<b>\$9,652,836</b>	<b>84</b>	<b>EXISTING OPERATING BUDGET - December 2, 2002</b>
\$48,152	\$48,152	0	Annualization of FY 2002-2003 Classified State Employees Merit Increase
\$0	(\$8,231)	0	Risk Management Adjustment
\$0	(\$22,000)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$415,927)	0	Non-Recurring Carry Forwards
(\$35,532)	(\$35,532)	0	Rent in State-Owned Buildings
\$252,855	\$252,855	0	Salary Base Adjustment
(\$74,368)	(\$74,368)	0	Attrition Adjustment
(\$81,500)	(\$243,582)	(5)	Personnel Reductions
(\$275,983)	(\$275,983)	0	Salary Funding from Other Line Items
\$22,358	\$22,358	0	Group Insurance Adjustment
\$3,009	\$3,009	0	Other Adjustments - Office of Computing Services - Email costs
\$0	(\$52,105)	0	Other Adjustments - Elimination of Fiscal Year 2002-2003 Group Benefits Surcharge
(\$57,257)	(\$57,257)	0	Other Adjustments - Cut to Fund Retirement Costs
(\$22,358)	(\$22,358)	0	Other Adjustments - Cut to Fund Group Benefits
(\$1,300,000)	\$0	0	Net Means Of Financing Substitutions -
<b>\$988,526</b>	<b>\$8,771,867</b>	<b>79</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$988,526</b>	<b>\$8,771,867</b>	<b>79</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:</b>
\$0	\$0	0	None

**MAJOR FINANCIAL CHANGES**

<b>GENERAL FUND</b>	<b>TOTAL</b>	<b>T.O.</b>	<b>DESCRIPTION</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$988,526</b>	<b>\$8,771,867</b>	<b>79</b>	<b>GRAND TOTAL RECOMMENDED</b>

## **PROFESSIONAL SERVICES**

\$600,000	Legal, accounting and other professional services to recover mineral underpayments in accordance with Act 1293 of 1995.
\$20,000	Information technology consultation - royalty accounting and lease information systems

<b>\$620,000</b>	<b>TOTAL PROFESSIONAL SERVICES</b>
------------------	------------------------------------

## OTHER CHARGES

\$619,017	Computer Enhancements - SONRIS Applications
\$26,311	Staff Training

**\$645,328 SUB-TOTAL OTHER CHARGES**

### **Interagency Transfers:**

\$1,635,895	DNR, Office of the Secretary, Management and Finance - Indirect Cost
\$71,143	DNR, Office of the Secretary, Management and Finance - Legal Support
\$250,000	LSU for Specialized Studies
\$755,905	LaSalle rent to Office of the Secretary
\$35,983	Office of Telecommunications
\$10,000	Division of Administration - State Printing
\$72,112	Risk Management
\$3,009	Office of Computing Services - E-mail
\$1,000	Division of Administration - State Mail
\$36,000	Rent - Houston & Dallas

**\$2,871,047 SUB-TOTAL INTERAGENCY TRANSFERS**

**\$3,516,375 TOTAL OTHER CHARGES**

## **ACQUISITIONS AND MAJOR REPAIRS**

\$0 This program does not have funding in Acquisitions and Major Repairs for Fiscal Year 2003-2004.

**\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS**